

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the operations and practices of MCI, WorldCom, or MCI WorldCom, (U-5011, U-5378, U-5253, U-5278), to determine whether it has violated the laws, rules and regulations governing the way in which consumers are billed for products or services, by billing its former customers for a monthly service charge without authorization.

Investigation 05-04-018

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUESTING SUPPLEMENTATION TO JOINT MOTION**

This ruling is being issued to request more information/briefing with regard to the parties' Joint Motion for Approval of Settlement Agreement (Joint Motion), filed on October 3, 2005. A Supplement to the Joint Motion should be filed and served no later than Thursday, October 13, 2005 addressing the following points:

1. What is the total number of customers charged the Minimum Usage Fee (MUF) under the circumstances described in the proposed Settlement Agreement, and the dollar value of those charges?
 - a. Of the total number of customers in 1, how many have received refunds, and how many have not?
 - b. Of the total dollar value in 1, how much has already been paid out, and how much remains to be paid out?

2. Supplement your argument that the proposed settlement is consistent with the law and precedent by citing law and precedent with which it is consistent.
3. Explain the following provisions of the Settlement Agreement.
 - a. Paragraph 17: “Complaints relating to MCI’s long distance plan and minimum fees have decreased....” Where were these complaints filed? At the California Public Utilities Commission (CPUC)? At MCI? Both? Explain your response.
 - b. What will happen to the \$2.3 million payment if the Commission approves the MCI-Verizon merger? Please amend the Settlement Agreement to provide for the process of obtaining refunds after the merger, if approved. Is Verizon aware of this settlement, if the law allows communication between MCI and Verizon at this stage, and has it agreed to implement expeditiously the process of distributing the settlement proceeds if the merger occurs before the proceeds are completely distributed?
 - c. Paragraph 21: How many “multiple notices” does the customer receive? Furnish a copy of the written notices. Does any notice disclose the level of “random rates?”
 - d. Paragraph 25: How will the requirements of “good faith and commercially reasonable efforts” be enforced? Will/should there be reporting to the CPUC, meetings with the CPUC, or other activity?
 - e. Paragraph 27: Has MCI made refunds to customers who did not complain? Can MCI estimate how many customers affected by the MUFs described in the Order Instituting Rulemaking (OIR) have received refunds, and remain to receive refunds, regardless of whether they have “complained”? If so, give numbers.
 - f. Paragraph 28: The paragraph states that there is a ceiling of \$1 million on “MUF Credits.” Later in the paragraph, it states what will occur “[if] the amount of the MUF Credits equals or exceeds the sum of \$1 million....” How would the MUF Credits exceed \$1 million?

- g. Paragraph 29: Is the scope of claims settled coextensive with the scope set forth in the OII?

- h. Paragraph 30: If MCI does not waive its right to contest jurisdiction, how will the Settlement Agreement be enforced at the Commission?

IT IS SO RULED.

Dated October 7, 2005, at San Francisco, California.

/s/ SARAH R. THOMAS

Sarah R. Thomas
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Requesting Supplementation to Joint Motion on all parties of record in this proceeding or their attorneys of record.

Dated October 7, 2005, at San Francisco, California.

/s/ TERESITA C. GALLARDO

Teresita C. Gallardo

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.